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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/398,170	09/17/1999	RANJIT N. NOTANI	020431-0467	9727

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EXAMINER

KANOF, PEDRO R

ART UNIT PAPER NUMBER

3628

DATE MAILED: 10/22/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

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Office Action Summary	Application No.	Applicant(s)	
	09/398,170	NOTANI, RANJIT N.	
	Examiner	Art Unit	
	Pedro Kanof	3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☐ Responsive to communication(s) filed on \_\_\_\_.
- 2a) ☐ This action is FINAL.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-39 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-29 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.  
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

### Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some \* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).  
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)                      4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_.
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)                      5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 19 & 22.                      6) ☐ Other: .

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## DETAILED ACTION

### *Response to Amendment*

1. This correspondence is in response to the amendment filed 7/22/2003.
2. Claims 1, 12, 19, and 28 have been amended as requested.
3. Claims 38 and 39 have been added as requested.
4. Claims 1-39 are rejected.

### ***Claim Rejections - 35 USC § 103***

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1-39 are rejected under 35 U.S.C. 103(a) as being unpatentable over George W. Aljian (Purchasing Handbook, McGraw-Hill Book Company, 2nd. Ed., 1966) (Aljian), in view of Peter H. Ritchken and Charles S. Tapiero (Contingent Claims Contracting for Purchasing Decisions in Inventory Management, Operations Research, Vol. 34, No. 6, November-December 1986)(Ritchken), and further in view of Roden et al. (U.S. Patent No. 6,249,774)(Roden).

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Claims 1 and 19: Aljian discloses a method of optimizing multi-enterprise supply chain agreements and a procurement manager operable to be executed on the processor of a buyer, using an electronic option contract, the method and the program comprising determining at a buyer computer a range of forecasted demand for a product (Pages 13-5 to 13-33).

Aljian also discloses include the use of computers in the communication between sellers and buyers or communicating from the buyer computer to a seller computer a contract for the supply of a product and executing the contract (pages 14-28 to 14-35).

However, Aljian does not explicitly disclose that the contract is an option contract. Ritchken disclose such as a step (Page 864, first and second col.). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such steps. One would have been motivated to include such steps in order to minimize the risk of investment in inventory.

However, the references do not explicitly disclose receiving at the buyer computer an indication of current buyer demand for the product. Roden discloses such steps (Col. 10, lines 1-7, and col. 11, lines 1-16). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such steps. One would have been motivated to include such steps in order to minimize the inventory and consequently, reduce the financial charges.

However, the references do not explicitly disclose determining whether the indicated current buyer demand exceeds a maximum option quantity specified in the option contract; and if the indicated current buyer demand does not exceed the maximum option quantity specified in the option contract, communicating from the buyer computer to the seller computer a request to exercise at least a portion of the option based at least in part on the indicated current buyer

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demand. Official notice is taken that the use of those steps are old and well known within in the management of any type of contract, and in the options art in particular. Therefore, it would have been obvious to one having ordinary skill in the art to include those steps. One would have been motivated to respect the standards procedures and rules of the option contracts.

Claim 2 and 20: Aljian, Ritchken and Roden disclose the method and the program of Claims 1 and 19. Aljian also discloses wherein the option comprises a range of parameters selected from a group consisting of a minimum quantity of a product that the buyer is obligated to purchase, and a maximum quantity of the product that the seller is obligated to supply; a minimum number of product types that the buyer is obligated to purchase, and a maximum number of product types that the seller is obligated to supply; and a minimum number and a maximum number of locations where a product must be delivered (Pages 3-30 to 3-32, and 19-52 to 19-54).

Claims 3 and 21: Aljian, Ritchken and Roden disclose the method and the program of Claims 1 and 19. Aljian also discloses wherein the option comprises a plurality of ranges of parameters each selected from a group consisting of a minimum quantity of a product that the buyer is obligated to purchase, and a maximum quantity of the product that the seller is obligated to supply; a minimum number of product types that the buyer is obligated to purchase, and a maximum number of product types that the seller is obligated to supply; and a minimum number and a maximum number of locations where a product must be delivered (Pages 5-41 to 5-42).

Claims 4, 5 and 22: Aljian, Ritchken and Roden disclose the method and the program of Claims 1 and 19. Aljian also discloses wherein the option contract includes an exercise period comprising a period of time after the execution of the option contract during which the buyer must exercise its option and wherein exercising the option comprises specifying a first

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quantity of product desired at a first time during the exercise period; specifying a second quantity of product desired at a second time during the exercise period; and wherein the updated forecasted demand comprises the sum of the first and second quantities of product desired (Pages 19-52 to 19-54 and 5-41 to 5-42).

Claims 6: Aljian, Ritchken and Roden disclose the method and the method of Claim 1, Aljian also discloses receiving from the seller computer a modified range of forecasted demand comprising the range of forecasted demand modified by an optimization model at the seller computer; and accepting the modified range of forecasted demand as a term to the option contract (Pages 19-52 to 19-54, 5-41 to 5-42, and 3-30 to 3-32).

Claims 7, 8 and 23: Aljian, Ritchken and Roden disclose the method and the program of Claims 1 and 19. Aljian also discloses receiving a proposed contract term from the seller computer; accessing a memory comprising a range of acceptable contract terms; comparing the proposed contract term to the range of acceptable contract terms; determining that the proposed contract term is within the range of acceptable contract terms; and accepting the proposed contract term without user input (Pages 14-28 to 14-35 and 19-52 to 19-54).

Claims 9 and 24: Aljian, Ritchken and Roden disclose the method and the program of Claims 7 and 19. Aljian also discloses determining that the proposed contract term is not within the range of acceptable contract terms; and identifying the proposed contract term as a term requiring user input prior to acceptance (Pages 14-28 to 14-35).

Claims 10 and 26: Aljian, Ritchken and Roden disclose the method and the program of Claims 1 and 19. Aljian also discloses determining at the buyer computer a proposed option price comprising a value of the option to a buyer associated with the buyer computer; communicating from the buyer computer to the seller computer the proposed option price; and

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negotiating with the seller computer an agreed option price based on the value of the option to the buyer and a cost of the option to a seller associated with the seller's computer (Pages 19-52 to 19-54, 5-41 to 5-42, and 3-30 to 3-32).

Claim 11: Aljian, Ritchken and Roden disclose the method of Claim 10. Aljian also discloses negotiating an agreed option price comprises receiving from the seller computer a modified proposed range of forecasted demand comprising the proposed range of forecasted demand modified by an optimization model at the seller computer; determining a modified proposed option price based on the modified proposed range of forecasted demand; and communicating the modified proposed option price to the seller computer (Pages 19-52 to 19-54).

Claim 12: Aljian discloses a method of optimizing multi-enterprise supply chain agreements using an electronic option contract, comprising:

receiving at a seller computer terms of a contract from a buyer computer, the terms comprising an option corresponding to a buyer's range of forecasted demand for a product (Pages 19-52 to 19-54);

communicating to the buyer computer an acceptance of the terms of the contract; storing the terms of the accepted option contract in a memory accessible to the seller computer (Pages 14-28 to 14-35), and also discloses receiving, at the seller computer and from the buyer computer, based at least in part on an indication of current buyer demand for the product (pages 14-28 to 14-35).

However, Aljian does not explicitly disclose that the contract is an option contract. Ritchken disclose such as a step (Page 864, first and second col.). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include

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such steps. One would have been motivated to include such steps in order to minimize the risk of investment in inventory.

However, neither the references do not explicitly disclose that the received request at the seller computer from the buyer computer is based on exercising at least a portion of the option contract. Ritchken discloses such as step, in the art of manage inventory levels (Col. 3, lines 21-28). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such steps. One would have been motivated to include such steps in order to be able to updating an order.

The references also do not explicitly disclose that at the seller computer, in response to receiving the request; accessing the stored terms of the option contract; and used the stored terms of the option contract determining whether an option period specified in the option contract has begun; if the option period has not yet begun, notifying the buyer computer that the request is premature; and if the option period has begun determining whether the request specifies a request quantity that exceeds a maximum option quantity specified in the option contract; if the request quantity exceeds the maximum option quantity, notifying the buyer computer that the request is improper; and if the request quantity does not exceed the maximum option quantity, storing the request for seller compliance. Official notice is taken that the use of those steps are old and well known within in the management of any type of contract, and in the options art in particular. Therefore, it would have been obvious to one having ordinary skill in the art to include those steps. One would have been motivated to respect the standards procedures and rules of the option contracts.



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Claim 13: Aljian, Ritchken and Roden disclose the method of Claim 12. Aljian also discloses wherein the option comprises a range of parameters selected from a group consisting of a minimum quantity of a product that the buyer is obligated to purchase, and a maximum quantity of the product that the seller is obligated to supply; a minimum number of product types that the buyer is obligated to purchase, and a maximum number of product types that the seller is obligated to supply; and a minimum number and a maximum number of locations where a product must be delivered (Pages 3-30 to 3-32, and 19-52 to 19-54).

Claim 14: Aljian, Ritchken and Roden disclose the method of Claim 12. Aljian also discloses wherein the option comprises a plurality of ranges of parameters each selected from a group consisting of a minimum quantity of a product that the buyer is obligated to purchase, and a maximum quantity of the product that the seller is obligated to supply; a minimum number of product types that the buyer is obligated to purchase, and a maximum number of product types that the seller is obligated to supply; and a minimum number and a maximum number of locations where a product must be delivered (Pages 5-41 to 5-42).

Claim 15: Aljian, Ritchken and Roden disclose the method of Claim 12. Aljian also discloses wherein the option contract includes an exercise period comprising a period of time after the execution of the option contract during which the buyer must exercise its option, and wherein enforcing the terms of the option contract comprises receiving a request from the buyer computer to exercise the buyer's option comprising an identification of the buyer's exercised level of demand under the contract; accessing the memory to retrieve the stored contract terms, including an exercise period begin date and an exercise period end date; and comparing a current date to the exercise period begin date and the exercise period end date (Pages 3-30 to 3-32).

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Claim 16: Aljian, Ritchken and Roden disclose the method of Claim 15. Aljian also discloses determining that the exercise period has begun and has not expired; and accepting the buyer computer's request to exercise the buyer's option (Pages 19-52 to 19-54).

Claim 17: Aljian, Ritchken and Roden disclose the method of Claim 16. Aljian also discloses wherein the buyer computer's request comprises an identification of a first quantity of product desired, and further comprising storing the request for a first quantity of product desired in the memory; receiving a subsequent request from the buyer computer to exercise the buyer's option comprising an identification of a second quantity of product desired; determining that the exercise period has not yet expired; and storing the request for a second quantity of product desired in the memory (Pages 19-52 to 19-54, 5-41 to 5-42, and 3-30 to 3-32).

Claim 18: Aljian, Ritchken and Roden disclose the method of Claim 16. Aljian also discloses when the buyer's exercised demand level to a minimum obligation of the buyer under the contract; and determining a penalty if the buyer's minimum obligation level exceeds the buyer's exercised demand level after the expiration of the exercise period (Pages 19-52 to 19-54, and 3-30 to 3-32).

Claim 25: Aljian, Ritchken and Roden disclose the program of Claim 19. Aljian also discloses an aggregation module operable to compare a buyer's aggregation of parameters with a seller's aggregation of parameters, and to transform at least one of the aggregations of parameters to conform with a common aggregation of parameters (Pages 19-52 to 19-54, and 5-41 to 5-42).

Claim 27: Aljian, Ritchken and Roden disclose the program of Claim 19. Aljian also discloses a tracking module operable to store terms of the contract and to track the buyer's fulfillment of its obligations. However, Aljian does not explicitly disclose when the tracking

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module operable to store terms of the executed contract refers to an option contract. Ritchken discloses this feature as discussed above in claim 1.

Claim 28: Aljian discloses a supply manager operable to be executed on the processor of a seller computer. Aljian also discloses when the supply manager comprising a forecast module operable to determine the seller's range of forecasted supply capacity for a product (Pages 13-21 to 13-33); a negotiation module operable to receive from a buyer computer an offer to enter into an option contract for the supply of a product, the option contract including a proposed option corresponding to a range of forecasted demand (Pages 19-52 to 19-54).

The others steps of this claim were addressed above at claim 12.

Claim 29: Aljian, Ritchken and Roden disclose the program of Claim 28. Aljian also discloses wherein the option comprises a range of parameters selected from a group consisting of a minimum quantity of a product that the buyer is obligated to purchase, and a maximum quantity of the product that the seller is obligated to supply; a minimum number of product types that the buyer is obligated to purchase, and a maximum number of product types that the seller is obligated to supply; and a minimum number and a maximum number of locations where a product must be delivered (Pages 19-52 to 19-54, and 5-41 to 5-42).

Claim 30: Aljian, Ritchken and Roden disclose the program of Claim 28. Aljian also discloses wherein the option comprises a plurality of ranges of parameters each selected from a group consisting of a minimum quantity of a product that the buyer is obligated to purchase, and a maximum quantity of the product that the seller is obligated to supply; a minimum number of product types that the buyer is obligated to purchase, and a maximum number of product types that the seller is obligated to supply; and a minimum number and a maximum number of

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locations where a product must be delivered (Pages 19-52 to 19-54, 5-41 to 5-42, and 3-30 to 3-32).

Claim 31: Aljian, Ritchken and Roden disclose the program of Claim 28. Aljian also discloses wherein the option contract includes an exercise period during which the buyer must exercise its option, and wherein the option contract comprises a maximum supply quantity that the seller has agreed to supply, and wherein the request to exercise the option comprises a first request for a first quantity of product desired, and wherein the tracking module is operable to store the request in the memory if a current date is within the exercise period and the first quantity is less than or equal to the maximum supply quantity (Pages 19-52 to 19-54, and 3-30 to 3-32).

Claim 32: Aljian, Ritchken and Roden disclose the program of Claim 31. Aljian also discloses wherein the request to exercise the option comprises a second request for a second quantity of product desired, and wherein the tracking module is operable to store the request in the memory if a current date is within the exercise period and the sum of the first and second quantities is less than or equal to the maximum supply quantity (Pages 19-52 to 19-54, and 5-41 to 5-42).

Claim 33: Aljian, Ritchken and Roden disclose the program of Claim 28. Aljian also discloses wherein the option contract comprises a penalty term specifying a penalty for a violation of the contract terms, and wherein the tracking module is operable to identify a violation of the contract terms and to assess a penalty for the violation based on the penalty term (Pages 5-41 to 5-42, and 3-30 to 3-32).

Claim 34: Aljian, Ritchken and Roden disclose the program of Claim 28. Aljian also discloses wherein the offer to enter into the option contract comprises a proposed term, and wherein the negotiation module is operable to access a memory comprising a range of

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acceptable contract terms, determine that the proposed contract term is within the range of acceptable contract terms, and to accept the proposed contract term without user input (Pages 19-52 to 19-54,, and 3-30 to 3-32).

Claim 35: Aljian, Ritchken and Roden disclose the program of Claim 28. Aljian also discloses wherein the offer to enter into the option contract comprises a proposed term, and wherein the negotiation module is operable to access a memory comprising a range of acceptable contract terms, determine that the proposed contract term is not within the range of acceptable contract terms, and to identify the proposed contract term as a term requiring user input prior to acceptance (Pages 19-52 to 19-54, 5-41 to 5-42, and 3-30 to 3-32)..

Claim 36: Aljian, Ritchken and Roden disclose the program of Claim 28. Aljian also discloses further comprising an aggregation module operable to compare a buyer's aggregation of parameters with a seller's aggregation of parameters, and to transform at least one of the aggregations of parameters to conform with a common aggregation of parameters (Pages 19-52 to 19-54, and 5-41 to 5-42).

Claim 37: Aljian, Ritchken and Roden disclose the program of Claim 28. Aljian also discloses further comprising an option price module operable to determine a proposed option price comprising a cost of the proposed option to a seller associated with the supply manger and to communicate the proposed option price to the buyer computer, and wherein the negotiation module is operable to negotiate with the seller computer an agreed option price based on the value of the option to the buyer and a cost of the option to a seller associated with the seller's computer (Pages 19-52 to 19-54, and 3-30 to 3-32).

Claims 38 and 39: Aljian, Ritchken and Roden disclose the method and the program of Claims 1 and 19. However, the references do not explicitly disclose monitoring an exercised

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portion of the option; comparing the exercised portion of the option with a minimum option quantity specified in the option contract to determine whether a buyer obligation under the option contract has been met; determining whether an option period specified in the option contract has ended; and if the buyer obligation has not met and the option period has ended, determining an applicable buyer penalty based at least in part on a penalty specified in the option contract.

Official notice is taken that the use of those steps are old and well known within in the management of any type of contract, and in the options art in particular. Therefore, it would have been obvious to one having ordinary skill in the art to include those steps. One would have been motivated to respect the standards procedures and rules of the option contracts.

### ***Response to Arguments***

6. Applicant's arguments with respect to claim have been considered but are moot in view of the new ground(s) of rejection.

### ***Conclusion***

7. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. Pedro R. Kanof whose telephone number is (703) 308-9552. The examiner can normally be reached on weekdays from 7:30 a.m. to 4:00 p.m.

Serial Number: 09/398,170

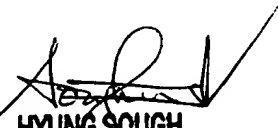
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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Mr. Hyung Sough, can be reached on (703) 308-0505. The fax phone number for this Group is (703) 308-1396.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703) 305-3900.

PRK-10/17/2003



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